

Roundtable for the consistent application of IFRS
Summary Meeting Report
17 May 2006

The Chairman opened the meeting by explaining the working arrangements of the Roundtable. The initiative for creating this Roundtable was widely supported. Full support for principles based accounting was reaffirmed. It was agreed that the Roundtable will recommend referring to IFRIC those limited number of cases where the accounting treatment under IFRS is so divergent, significant and widespread as to warrant 'common concern' among the different groups of participants (preparers, auditors, national standard setters, regulators). Circumstances could also arise where the matter should be addressed directly to the IASB Board. The Roundtable itself will not make any interpretations.

The Roundtable will also review any national interpretation/guidance which participants wish to raise and so assess whether it is a real (and isolated) national problem or a wider problem that could be considered for referral to IFRIC.

During the discussions which took place the following items in the Issues Paper were identified as meeting these criteria to warrant common concern among the different groups of participants:

- Issue N° 2 - de facto control
- Issue N° 9 - puts on minority interests
- Issue N°10 - classification of a financial Instrument (IAS 32)

Regarding Issue N°2, one group of participants agreed to draft a technical paper to prepare for the deeper discussion at the next Roundtable. That discussion will also focus on stakeholders' need for an early resolution of this Issue bearing in mind that it is closely related to the IASB project on consolidation.

Issues N°9 and N°10 had already been referred to IFRIC and interpretations (or rejections) are urgently awaited. The Commission services therefore offered to examine the current status of both of these matters with IFRIC and help identify the most appropriate path for promoting an early resolution.

The comments expressed on the other issues listed in the Issues Paper did not demonstrate a widespread sentiment on the need for an interpretation.

During the meeting some participants also raised fresh issues and agreed to set these out in writing in a form suitable for inclusion in the Issues Paper for the next Roundtable meeting.

The next meeting will take place in September (actual date to be confirmed).

Annex

Issues Paper (extract)

ISSUE 1

Definition of Cash and cash equivalents (IAS 7)

ISSUE 2

De facto control

ISSUE 3

Potential Voting Rights (IAS 27)

ISSUE 4

Scope of SIC 12 (IAS 27)

ISSUE 5

Separate financial statements issued before consolidated financial statements (IAS 27)

ISSUE 6

Accounting for the service component of a lease contract when the service is to be provided near inception of the lease (IAS 17)

ISSUE 7

Step acquisition of an associate (IAS 28, IFRS 3)

ISSUE 8

Onerous contracts (IAS 37)

ISSUE 9

Puts on minority interests

ISSUE 10

Classification of a financial instrument (IAS 32)

ISSUE 11

Restricted shares (IFRS 2, IFRIC 8, IAS 32)